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C O N F I D E N T I A L SECTION 01 OF 02 BUENOS AIRES 001286

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SUBJECT: ARGENTINA: "PINGUINA" FOR PRESIDENT

REF: BUENOS AIRES 00906

Classified By: Ambassador E. Anthony Wayne for Reasons 1.4(b) and (d).

11. (SBU) SUMMARY: First Lady and Senator Cristina Fernandez de Kirchner will be the official candidate of the GoA for president in October, replacing her husband, current President Nestor Kirchner. Fernandez de Kirchner's candidacy was widely anticipated after months of intimation from the Casa Rosada, but the timing of the announcement on July 1 caught most political analysts by surprise and has led them to speculate that the ongoing vacillation between "pinguino" and "pinguina" was becoming a political liability. The announcement will give renewed hope to the dispersed opposition of denying the Kirchners a win in the first round (given Cristina's lower poll numbers). However, unification of the opposition is still unlikely. With an energy crisis on their hands, a recent series of provincial election setbacks, and the emergence of yet more corruption scandals, the Kirchners' position as the front-runners of the presidential race seems more vulnerable to encroachment by opposition candidates. END SUMMARY.

Pinguina for President

12. (U) The official news agency of the Argentine government Telam on July 1 cited Cabinet Chief Alberto Fernandez as saying that First Lady and Senator Cristina Fernandez de Kirchner will announce on July 19 her candidacy for president, replacing her husband and current President Nestor Kirchner as the Frente Para Victoria (FPV - Kirchner's Peronist-based grouping) candidate. Rumors of Fernandez de Kirchner's possible candidacy have been circulating for over a year, but gained credibility when President Kirchner himself confirmed the possibility on multiple occasions in recent months. In the last couple months, the President asked the public to be patient with him as he and his advisors considered the options.

Why Pinguina?

13. (C) The administration appears to be betting that Fernandez de Kirchner will bring some new life into the fading Kirchner presidency. Unlike her husband, Fernandez de Kirchner has remained largely unscathed by corruption scandals, poor management of the prolonged teacher union strike in Santa Cruz, scrutiny of unreliable inflation figures, and recent energy shortages. She is expected to bring a more academic and intellectual air to the presidency, as her husband's populism is not really her style. While she

is widely expected to represent more of the same policies and attitudes as her husband, some analysts here suggest that we may see some subtle changes such as: a more defined foreign policy, clearer rules of engagement with Venezuela, and more openness to working with the U.S. on some issues. Furthermore, by running Fernandez de Kirchner as the candidate, Kirchner reserves a chance at another term in the future and buys himself four more years to cultivate and groom another FPV politico as a successor to the Kirchner family reign. Some commentators are reporting that another factor is that Nestor Kirchner is tired and does not want to be in the center limelight for another four years.

Why now?

14. (C) Kirchner has been teasing the electorate with the question of pinguino or pinguina for several months, but faced with an energy crisis, increasing numbers of corruption scandals, and electoral defeats in a number of recent provincial contests, vacillation over who will be the candidate was proving to be a political liability. According to Kirchnerista sources quoted in Clarin, the announcement was advanced to July 19th after the June defeats of Kirchner-backed candidates in Buenos Aires and Tierra del Fuego. Launching Fernandez de Kirchner's candidacy changes the headlines and may help bring national and media attention back to the administration and away from the opposition victories of June.

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Mobilizing the Opposition

15. (SBU) The announcement of Fernandez de Kirchner's candidacy has given renewed hope to the dispersed opposition candidates. Most political analysts here see Cristina's candidacy as a chance for the opposition candidates to deny the Kirchners a win in the first round (given her lower poll numbers). Only center-right RECREAR candidate Ricardo Lopez Murphy seems open to working together to force a runoff. He has suggested the opposition candidates should agree to an "understanding" that they not attack each other in the lead up to the first round, which would serve as a sort of primary to select the opposition candidate for the second round runoff. Ideally, then, the rest of the opposition candidates would support the one who made it to the runoff in the hopes of beating Fernandez de Kirchner.

16. (SBU) Other opposition sectors still seem to prefer to take their chances alone. Center-left leader Elisa Carrio remains reluctant to join forces in the presidential race, saying that she prefers "not to make collective speculations." Former Economy Minister Roberto Lavagna has rejected the idea of working together to challenge the government, fearing that it would send a sign of weakness as a candidate. Lavagna has, however, said that it will be very difficult for the opposition to "steal the fight" if it remains fragmented. Several dissident Peronist figures are also making noise about organizing themselves into an anti-Kirchner presidential effort.

Comment

17. (C) President Kirchner and his wife have remained the front-runners in projections for the October elections in large part because the opposition remains fragmented and without a nationally marketable candidate. If the opposition could unite and propose a strong candidate, they could pose a real challenge to the house of Kirchner in October. Although

there has been no emergence of a united opposition candidate to date, some in the opposition will be re-energized by the possibility of forcing Fernandez de Kirchner into a runoff and they may work harder to actually do it. With the ongoing energy crunch and more corruption scandals bubbling to the surface, the Kirchners' position as the front-runners of the presidential race may be vulnerable to encroachment. But this outcome is contingent on the unlikely eventuality of the opposition putting aside its differences, tempering its egos, and focusing on creating a united front to challenge the Kirchners in October. END COMMENT.

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